

Fiscal Year 2009

# Property Tax Relief Programs

**You may be eligible for tax relief!**

**This booklet is designed  
to help you understand  
options available to you**



**Board of Assessors**

David Brown, Chair

Jim Kotanchik

Paul Wexelblat

# Local Property Tax Exemptions for Acton Citizens

You may qualify for one of the following property tax exemptions. Since only one of these exemptions is allowed per year, choose the one that provides the maximum benefit for you:

## Person Over 65 (clause 41C) \* \*\*

**If your Income and assets are low-to-moderate, you may qualify for a minimum \$1,000 exemption from your property tax**

- See pages 3, 4 and 5 for detailed information and help in determining if you qualify. ↗

Person Over 70 or Surviving Spouse (clause 17D) \* \*\* If your income is too high for the 41C exemption but you have low assets, you might qualify for a minimum \$235.76 reduction in your property tax

- You must be 70 or older by July 1 of the current tax year or surviving spouse of any age
- Value of Whole Estate (not including the home) must not exceed \$53,888.
- There is no income limit.
- Home must have been owned and occupied as your principal residence for the past 5 years.
- **Contact Assessor's Office at 978-264-9622 for an application**

Disabled Veterans, Certain Medal Winners, and Certain Survivors (clauses 22A – F) \* \*\* A wide range of exemptions is available to veterans of the armed services

- See detailed information on page 6 ↗

Blind Persons (clause 37A) \* \*\* If you are legally blind, you may qualify for a minimum \$500 reduction in your property tax

- You must own and occupy an Acton property as your primary residence
- You must provide a certificate from the Commission on Blindness every year
- **Contact Assessor's Office at 978-264-9622 for an application**

Surviving Spouse of Police Officer or Firefighter (clause 42) \* \*\* If your spouse was killed in the line of duty, and you have not remarried, you may qualify for a total exemption from your property tax.

- Property must be owned and occupied as your principal residence
- **Contact Assessor's Office at 978-264-9622 for an application**

Hardship Exemption (clause 18) \* \*\* If you have severe financial and medical hardships in a given year, you may qualify for a special hardship exemption from your property tax.

- Must meet criteria of age, infirmity and poverty.
- Granted at the sole discretion of the Board of Assessors
- **Contact Assessor's Office at 978-264-9622 for an application**

\* These benefits are offered by the Town but governed under Massachusetts General Law Chapter 59, Section 5. Clause numbers refer to clauses under this statute.

\*\* If your home is held in trust, you must provide a copy of the declaration of trust showing that you are a trustee and a copy of the schedule of beneficiaries showing that you have a beneficial interest. If you have a non-spouse co-owner or a multi-unit dwelling, contact Assessor's Office.

# Additional Property Tax Help

These following “Add-On” exemptions, credits and deferrals can be ADDED to the exemptions noted above

## Add any or all of the following:

Administered by the Assessor’s Office:

### Tax Deferral (Clause 41A)

**If you have low-to-moderate income, you may qualify for a postponement of paying your property tax until your house is sold or conveyed.**

- Deferrals free up your income for any desired use
- You are protected - you will *never* have to sell or move due to taxes deferred under this program

← See the detailed information on pages 7 and 8 ⇌

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Exemption from the 1.5% Community Preservation Fund Surcharge If you have low-to-moderate income, you may qualify for an exemption from the Community Preservation Act property tax surcharge

- See detailed information on page 9
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The following program is  
Administered by the Human Resource  
Department

Senior Service Program A limited number of low-to-moderate income seniors with needed skills can provide service to the Town in exchange for a reduction to their property tax.

- Age 60 and older
  - Selective program matches skill and ability to department needs
  - Contact Human Resources at 978-264-9603 for more information
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The following program is  
Administered by the State

State Senior Circuit Breaker Tax Credit Senior renters or homeowners with low-to-medium incomes may qualify for direct payment or tax credits from the State

- See the detailed information sheet on page 10

## Elderly Person Over 65 (Clause 41C)

**If your income and assets are low to moderate, you may qualify for a minimum \$1,000 exemption from your Property Tax**

Detailed Information for Fiscal Year 2009

\*Qualifying amounts increase annually \*

Age	You or your spouse must be 65 or older on July 1, 2008 for Fiscal Year 2009
Benefit	Minimum \$1,000 reduction in property tax. Does not have to be repaid.
Income	<ul style="list-style-type: none"> <li>Your total income must be under \$26,944* for single homeowners, or \$40,416* for married homeowners for Fiscal Year 2009.</li> <li>Your income from 2007 is used to qualify for Fiscal Year 2009 exemptions.</li> <li>A deduction (called the "Social Security Deduction") is allowed if you have income from Federal Social Security, Railroad Retirement, Massachusetts (and political subdivisions) employee pensions, annuities, or retirement plans.</li> <li>-The FY2009 "Social Security Deduction" is: Worker: \$3,930, Spouse: \$1,965. as determined annually by the state.</li> <li>See <i>worksheet on next page</i>.</li> </ul>
Assets	<ul style="list-style-type: none"> <li>Your Whole Estate must be under \$53,888* for single homeowners, \$74,096* for married homeowners.</li> <li>Whole Estate includes: -Total of all savings accounts, checking accounts, certificates of deposit, IRA accounts, annuities, stocks and bonds as of July 1, 2008</li> <li>-Any real estate other than your Acton primary residence.</li> <li>Your primary residence, vehicles, personal effects and cemetery plots are not counted or included.</li> </ul>
Ownership and Residency	<ul style="list-style-type: none"> <li>Massachusetts must have been your <i>state of primary residence</i> for the past ten years as of July 1, 2008</li> <li>You must have <i>owned and occupied</i> your current home for the past five years as of July 1, 2008</li> <li>If your home is held in trust, you must provide a copy of both the declaration of trust and the schedule of beneficiaries showing that you are a trustee and have a beneficial interest.</li> <li>If you are a joint owner with a non-spouse or your home is a multi-unit dwelling, contact the Assessor's office for further information</li> </ul>
To Apply	<p>Contact the Assessor's office at 978-264-9622 for an application. Filing deadline for FY2008 is three months after the actual bill is issued.</p> <p style="color: red;">* Qualifying limits increase annually with a cost of living adjustment.</p>

Gross receipts for preceding calendar year	Applicant and Spouse	Co-Owner (s) and Spouse	
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## Example of Income Computation for Person Over Age 65 (41C) Application

Age	You or your spouse must be 65 or older on July 1, 2008 for Fiscal Year 2009
Benefit	Minimum \$1,000 reduction in property tax. Does not have to be repaid.
Income	<ul style="list-style-type: none"> <li>• Your total income must be under \$26,944* for single homeowners, or \$40,416* for married homeowners for Fiscal Year 2009.</li> <li>• Your income from 2007 is used to qualify for Fiscal Year 2009 exemptions.</li> <li>• A deduction (called the "Social Security Deduction") is allowed if you have income from Federal Social Security, Railroad Retirement, Massachusetts (and political subdivisions) employee pensions, annuities, or retirement plans.</li> <li>-The FY2009 "Social Security Deduction" is: Worker: \$3,930, Spouse: \$1,965. as determined annually by the state.</li> <li>• See worksheet on next page.</li> </ul>
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# Property Tax Exemptions for Veterans

**Benefits for veterans who were Massachusetts residents  
for six months before entering service or for five  
consecutive years before the current tax year**

## Detailed Information

Age	You or your spouse must be 65 or older on July 1, 2008 for Fiscal Year 2009
Benefit	Minimum \$1,000 reduction in property tax. Does not have to be repaid.
Income	<ul style="list-style-type: none"><li>• Your total income must be under \$26,944* for single homeowners, or \$40,416* for married homeowners for Fiscal Year 2009.</li><li>• Your income from 2007 is used to qualify for Fiscal Year 2009 exemptions.</li><li>• A deduction (called the "Social Security Deduction") is allowed if you have income from Federal Social Security, Railroad Retirement, Massachusetts (and political subdivisions) employee pensions, annuities, or retirement plans.</li><li>-The FY2009 "Social Security Deduction" is: Worker: \$3,930, Spouse: \$1,965. as determined annually by the state.</li><li>• See <i>worksheet on next page</i>.</li></ul>
Assets	<ul style="list-style-type: none"><li>• Your Whole Estate must be under \$53,888* for single homeowners, \$74,096* for married homeowners.</li><li>• Whole Estate includes: -Total of all savings accounts, checking accounts, certificates of deposit, IRA accounts, annuities, stocks and bonds as of July 1, 2008</li><li>-Any real estate other than your Acton primary residence.</li><li>• Your primary residence, vehicles, personal effects and cemetery plots are not counted or included.</li></ul>
Ownership and Residency	<ul style="list-style-type: none"><li>• Massachusetts must have been your <i>state of primary residence</i> for the past ten years as of July 1, 2008</li><li>• You must have <i>owned and occupied</i> your current home for the past five years as of July 1, 2008</li><li>• If your home is held in trust, you must provide a copy of both the declaration of trust and the schedule of beneficiaries showing that you are a trustee and have a beneficial interest.</li><li>• If you are a joint owner with a non-spouse or your home is a multi-unit dwelling, contact the Assessor's office for further information</li></ul>
To Apply	Contact the Assessor's office at 978-264-9622 for an application. Filing deadline for FY2008 is three months after the actual bill is issued.

**To Apply: Contact the Assessor's Office at 978-264-9622. The filing deadline for FY2009 is three months after the actual bill (December 31) is issued.**

# Property Tax Deferrals (Clause 41A)

You may qualify to postpone paying your property tax until your house is sold or conveyed. Let the value of your house pay your property tax.

## Detailed Information for Fiscal Year 2009

Age	You or your spouse must be 65 or older on July 1, 2008 for Fiscal Year 2009
Benefit	Minimum \$1,000 reduction in property tax. Does not have to be repaid.
Income	<ul style="list-style-type: none"><li>• Your total income must be under \$26,944* for single homeowners, or \$40,416* for married homeowners for Fiscal Year 2009.</li><li>• Your income from 2007 is used to qualify for Fiscal Year 2009 exemptions.</li><li>• A deduction (called the "Social Security Deduction") is allowed if you have income from Federal Social Security, Railroad Retirement, Massachusetts (and political subdivisions) employee pensions, annuities, or retirement plans.</li><li>-The FY2009 "Social Security Deduction" is: Worker: \$3,930, Spouse: \$1,965. as determined annually by the state.</li><li>• See worksheet on next page.</li></ul>
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Ownership and how it works	<ul style="list-style-type: none"><li>• Massachusetts must have been your <i>state of primary residence</i> for the past ten years as of July 1, 2008</li><li>• You must have <i>owned and occupied</i> your current home for the past</li></ul>

- Each year you can choose to enter into a **property tax deferral agreement with the town for all or any part of that year's property tax bill.**
- Each year's deferral is like an individual loan. The simple interest rate that was in effect the year that you deferred that year's property tax is locked in for the life of the loan. It is the Federal Discount Rate, generally below the Prime Rate and by law, can never be higher than 8%. FY2009 deferrals will have a locked-in rate of 4.75% until the subsequent year's rate is determined.
- You can NEVER be forced to sell or move due to taxes deferred under this program.
- Tax payers who defer their property tax may defer water and sewer charges as well.

### Why is this an attractive option?

- Tax deferrals are a safe and inexpensive way to free up some of your income. Using the equity in your home to pay your property tax will allow you to enjoy the use of thousands of dollars that would otherwise have gone to paying your property tax.

# Property Tax Deferral Example

In 2008 a senior owning a \$400,000 house decides to start deferring his entire property tax bill every year. In 2013, he decides to sell the house and move into an assisted living facility.

Fiscal Year	House Value with annual 5% appreciation	Property Tax Deferred Assumes taxes increase 5% per annum	Deferral Interest Rate *(HYPOTHETICAL)	Deferred Tax & Simple Interest
2008	\$400,000	\$6,156.00	6.25%	\$8,287.98
2009	\$420,000	\$6,463.80	4.75%	\$7,857.39
2010	\$441,000	\$6,786.99	4.75%*	\$7,927.88
2011	\$463,050	\$7,126.34	4.75%*	\$7,985.78
2012	\$486,203	\$7,482.66	4.75%*	\$8,029.45
2013	\$510,513	\$7,856.79	4.75%*	\$8,056.95

Value of House  
when Sold in 2013  
**\$510,513**

Total Amount Deferred  
**\$41,873**

Total amount Deferred for  
the Last Six Years  
**\$48,145**

House Value When Sold	\$510,513
Less Deferral	<u>- \$48,145</u>
<u>Remaining</u> Asset Value	<b>\$462,368</b>



# Exemption from the Community Preservation Act Surcharge for those aged 60 and over

## Detailed Information for Fiscal Year 2009

Age	You or your spouse must be 65 or older on July 1, 2008 for Fiscal Year 2009
Benefit	Minimum \$1,000 reduction in property tax. Does not have to be repaid.
Income	<ul style="list-style-type: none"> <li>• Your total income must be under \$26,944* for single homeowners, or \$40,416* for married homeowners for Fiscal Year 2009. • Your income from 2007 is used to qualify for Fiscal Year 2009 exemptions. • A deduction (called the "Social Security Deduction") is allowed if you have income from Federal Social Security, Railroad Retirement, Massachusetts (and political subdivisions) employee pensions, annuities, or retirement plans. -The FY2009 "Social Security Deduction" is: Worker: \$3,930, Spouse: \$1,965. as determined annually by the state. • See <i>worksheet on next page</i>.</li> </ul>
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Ownership and Residency	<ul style="list-style-type: none"> <li>• Massachusetts must have been your <i>state of primary residence</i> for the past ten years as of July 1, 2008 • You must have <i>owned and occupied</i> your current home for the past five years as of July 1, 2008 • If your home is held in trust, you must provide a copy of both the declaration of trust and the schedule of beneficiaries showing that you are a trustee and have a beneficial interest. • If you are a joint owner with a non-spouse or your home is a multi-unit dwelling, contact the Assessor's office for further information</li> </ul>
<p>* The income limit changes every year. It is based on the local area median income as annually published by HUD</p>	
To Apply	Contact the Assessor's office at 978-264-9622 for an application. Filing deadline for

# Massachusetts “Circuit Breaker” Tax Credit

[This is a State program administered by the Commonwealth of Massachusetts Department of Revenue at 617-887-MDOR \(617-887-6367\)](#)

[www.dor.state.ma.us](http://www.dor.state.ma.us)

If your property taxes (or 25% of your rent) exceed 10% of your gross income, you may be eligible for a payment or tax credit from the State.

## Detailed Information

**This chart shows 2007 income and benefit figures  
2008 figures will be published in early fiscal 2009  
Qualifying amounts and benefit change annually**

Age	You or your spouse must be 65 or older on July 1, 2008 for Fiscal Year 2009
Benefit	Minimum \$1,000 reduction in property tax. Does not have to be repaid.
Income	<ul style="list-style-type: none"><li>• Your total income must be under \$26,944* for single homeowners, or \$40,416* for married homeowners for Fiscal Year 2009. • Your income from 2007 is used to qualify for Fiscal Year 2009 exemptions. • A deduction (called the “Social Security Deduction”) is allowed if you have income from Federal Social Security, Railroad Retirement, Massachusetts (and political subdivisions) employee pensions, annuities, or retirement plans. -The FY2009 “Social Security Deduction” is: Worker: \$3,930, Spouse: \$1,965. as determined annually by the state. • See worksheet on next page.</li></ul>
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**\* The 2008 income limits and benefit amounts will be set by the state at the beginning of fiscal year 2009.**